

Honorable Tim Holden (PA-17)
Testimony before the Benefits Subcommittee
of the House Veterans Affairs Committee
June 11, 2003

Chairman Brown, Ranking Member Michaud and members of the Subcommittee, I want to thank you for the opportunity to testify before you today in support of my legislation, H.R. 886, which seeks to correct an inequity in the awarding of dependency and indemnity compensation (DIC) benefits to surviving spouses of qualifying former prisoners of war.

Current law provides DIC benefits for surviving spouses of former prisoners of war who were rated as totally disabled for service connected disability at the time of death--so long as that former POW dies after September 30, 1999. However, surviving spouses of qualifying former POWs who died before or on September 30, 1999 do not qualify for any DIC benefits unless the former POW died of a service-connected disability or was 100% service-connected for at least ten years prior to death.

Prior to 1999, all surviving spouses of qualifying former POWs were eligible for DIC benefits so long as the former POW was rated 100 percent disabled for a minimum of 10 years prior to his or her death. Since many POW's had difficulty in establishing their eligibility for service-connected compensation benefits until after Congress established certain presumptions, many POW's died while being 100% service-connected for less than ten years. That problem was addressed by the Veteran's Millennium Healthcare Act of 1999, which allowed surviving spouses to qualify if their POW spouse was service-connected for one year before death and died after September 30, 1999.

Not too long after the Veteran's Millennium Healthcare Act was enacted, Mr. Leigh Tallas, a veteran and an advocate from one of the county VA offices in my Congressional district contacted me to express his concern with the consequence of limiting the awarding of benefits only in the case where the qualifying former POW died after September 30, 1999. He told me about active cases he was working on where the surviving spouse was being penalized due to this provision.

Following my meeting with Mr. Tallas, I first introduced this legislation you are considering today in the 107th Congress and reintroduced it in the current 108th Congress.

Mr. Chairman and members of the Subcommittee, what my bill seeks to do is very simple and straightforward. My bill will amend Title 38 of the US Code to treat all surviving spouses of qualifying former POW's equally, granting them DIC benefits regardless of when their former POW spouse passed away.

My bill has been scored by the Congressional Budget Office (CBO) who estimates it will cost \$15 million in the 10-year period from FY 2004 through FY 2013 (assuming the bill

is enacted this year.) The average DIC payment in fiscal year 2002 was \$12,244. Such payments are adjusted annually for increases in the cost of living.

Based on data provided by the VA, CBO estimates that about 480 survivors would be newly eligible for DIC under my bill. Because many of these deaths occurred over the last 50 years or more, during which survivors may have lost touch with veterans' organizations that could inform them about the new benefit, and considering that some survivors may have remarried making them ineligible for DIC, CBO assumes that no more than one-third, or about 160, of these eligible survivors would apply for DIC under the bill. CBO also assumes that these new DIC cases would phase in over a five-year period as eligible survivors learn about their eligibility and complete the process of applying for benefits from VA.

In conclusion, Mr. Chairman, our Nation's POW's sacrificed their liberty for the freedom we enjoy. Their surviving spouses deserve to receive dependency and indemnity compensation. The unequal eligibility criteria should be eliminated. My bill will do this.

Mr. Chairman, I ask your indulgence in allowing me to submit letters of support for the record following my testimony. I thank the Subcommittee for considering this bill and urge you to report it favorably.